

eClosing, Broker, Servicing Products; USDA Rural Tidbits; Forbearance Stats Improving

By: Rob Chrisman | Tue, Jul 21 2020, 10:22 AM

Originators, as Deb from Virginia reminded me, are currently like ducks: cool and calm on the surface, paddling frantically underneath. Originators like low rates, but not if their clients can't qualify for a loan. Furloughs are becoming permanent for many companies. U.S. equity indexes might be trading substantially up on recent low points, mostly due to a few stocks, but bond market traders are sounding the alarm over the outlook for the U.S. economy. Not everyone is Quicken Loans, whose Rocket Companies' S1 updated its 2nd quarter earnings: [\\$3.5 billion of net income](#). The real yield on 10-year Treasuries has fallen to -0.85 percent since early June, [pointing to weak economic growth](#) which one trader says could prevail "for quite some time". Currently the cost for investment-grade companies to borrow money is less than 2 percent; but why would they even want to borrow money to expand?! Looking at housing, those who make the comparison to 2009 - 2010 are missing the fact that we had a glut of properties back then. The situation is the exact opposite here: Home construction has lagged household formation for a decade, and the lack of inventory continues to help buoy prices in many areas.

Broker and Lender Services and Products

Increasing your efficiency as a lending team doesn't require a silver bullet; it's all about finding ways to reshape how things are done. It's about finding technology to help solve problems and reduce the time-sucking tasks your loan officers and processors are burdened with at every step of the loan manufacturing process. Maxwell's digital mortgage platform has been built around these features that streamline individual steps and transform the process for big-time savings. Its Flexletters feature, which allows lenders to easily issue and manage pre-approval and pre-qualification letters, is a perfect embodiment of this. It gives real estate agents the power to adjust the value per their clients' needs (up to a max amount), right from their mobile phone, saving lenders time that would be better spent on managing the rest of their flooded pipelines. To learn more about Flexletters and the entire suite of efficiency-increasing features that make up Maxwell's platform, [Learn more](#) or [Request a demo](#) today.

[Mortgage Financial Services](#), one of the fastest growing independent mortgage banks in the nation, continues to shatter production records as it names industry vet [John H. P. Hudson](#) as the Head of Wholesale Lending. (You might remember John from his days fighting for mortgage brokers as the Government Affairs Chair for NAMB.) "Serving the independent mortgage brokerage community has always been a passion of mine. Our mission is to empower and equip our partners with awesome pricing and deliver the concierge support they need to service their local community...teamwork makes the dream work", says Hudson. MFS is also expanding into 10 more states with both broker and non-delegated correspondent channels. If you are broker and you are not signed up with Mortgage Financial Services, you really should reach out to John (817-247-4766) and visit [www.MFStpo.com](#). Congrats on the amazing growth!

While mortgage lenders are busy trying to maximize their production, mortgage servicers are planning for a new wave of needs. [Sutherland](#) has an experienced team of mortgage servicing professionals that help create scale and cost reduction strategies and focus on business outcomes. Sutherland NMLS #9891, a Black Knight preferred partner, is compliant and licensed in all States including DC and PR in providing mortgage servicing and mortgage collection activities, with a highly successful track record in customer service, collections, and loss mitigation solutions. As an experienced Business Process Transformation company, our automation solution, Robility allows us to streamline processes, reduce costs and improve quality in areas such as new loan setup, escrow back office support and late stage default management. Whether you are looking to close more loans, increase your quality assurance scale or improve your customer's experience, Sutherland is here to achieve your goals. To schedule a discovery call on our capabilities, email Neil Armstrong, [AMP](#).

Digital closings are uncharted territory for most consumers, and it's up to mortgage lenders to make the process as seamless as possible while adhering to complex regulations. When it comes to customer experience, every interaction either builds or erodes trust, and there are key steps every lender should take to effectively walk customers through the process. The organizations that do this successfully will set their brand apart and develop lifetime relationships. [Learn how COVID is affecting e-closing policy](#), what you can do to build customer trust, and how to serve as a trusted financial advisor.

Companies are taking advantage of getting their new hires market ready FAST by enrolling their rookie hires into XINNIX's suite of New Talent Performance Programs. In fact, one XINNIX ORIGINATOR™ student just broke records by completing the first phase of his new loan officer training in only four days. Whether you're looking to hire new sales associates or mortgage operations professionals, XINNIX has the solutions to build your new talent in as little as 10 days (or four, depending on your motivation to overachieve). For more information on the record-breaking Rockstar Rookie who is blazing a trail into the industry, check out the [latest episode of Inside the Mortgage Mind](#) as new loan officer Lucas Chamberlain with Castle Rock Mortgage sits down with his XINNIX Accountability Manager to discuss why he traded in

his career as a touring guitarist for a career in the mortgage industry.

USDA News

The temporary exceptions USDA issued on March 27, 2020 pertaining to appraisals, repair inspections and income verifications for the Single-Family Housing Guaranteed Loan Program (SFHGLP) due to the COVID-19 pandemic have been extended until August 31, 2020 and apply to the requirements in the program handbook HB-1-3555 for new loans.

The Single-Family Housing Guaranteed Loan Program (SFHGLP) will publish a revision to technical HB-1-3555, Chapter 15, "Submitting the Application Package". An advance copy is available on [USDA LINC Training and Resource Library](#) for lender review and preparation. The advance copy will be available for a minimum of 30 days for review. A [Procedure Notice \(PN\)](#) will be issued when the chapter has been published online. Questions regarding program policy and this announcement may be directed to the National Office Division at sfhgld.program@usda.gov or (202) 720-1452.

USDA Rural Development is continuing to take steps that serve our customers and stakeholders during the COVID-19 pandemic. The Agency recognizes that COVID-19 has affected the timetable and delivery process for Mutual Self-Help Housing grantees. Self-Help grantees seeking amendments, time extensions, and refunding will be evaluated on a case-by-case basis on factors such as Lower Rates of Production, Equivalent Units (EUs) and Technical Assistance (TA) cost per EU. Grantee organizations must work with their regional Technical and Management Assistance (T&MA) Contractors to develop realistic extension requests and applications for refunding.

Wells Fargo Funding has aligned its effective date for the USDA Rural Development's policy has been extended to August 31.

AmeriHome posted New Section Additions applicable to various investors. USDA Self-Employment SBA Paycheck Protection Program (PPP) Total Debt Ratio: The monthly payment must be included in the monthly debts. If the payment amount is not known, the guidance in HB-1-3555 CH 11.2(B) under balloon/deferred loans applies. [Refer to SFHGLP Supplemental FAQs revised 6.30.2020 for additional details](#). AmeriHome requires the USDA Guaranteed Annual Fee be passed from the lender to the borrower and correctly calculated and disclosed. Additionally, Leasehold Estates require a cross-default of the lease rider to the security instrument and an ALTA 13.1 or equivalent endorsement.

Capital Markets

There was no market-moving news yesterday, but it is important to keep an eye on trends. Covid-19 continues to dominate the headlines as both the numbers of new cases reported as well as the positivity rate continue to climb. Last week's retail sales report was much better than expected and pointed towards a (debatable) 'V' shaped recovery and clothing stores, auto sales, and restaurants boosted the results. Sporting Goods stores saw their sales eclipse their pre-recession peak by 20%. Manufacturing production increased in every sector but total output is still down 11 percent since the beginning of the year. It is possible that the jump in consumer spending represented some pent-up demand from earlier in the pandemic when some consumers hoarded cash as evidenced by the spike in the personal savings rate. The resurgence in the virus will no doubt put a damper on data in the coming months as states begin to walk back re-openings although no one expects a return to the widespread lockdowns implemented in March. **Negative economic news tends to lead mortgage rates lower as investors shift funds from riskier assets and like in the current environment, the government intervenes.** The headwinds facing the economy may provide the catalyst for a prolonged low rate environment.

Yesterday Treasuries and MBS were mixed, the yield curve was flatter, and there were three main news stories to digest, despite no economic releases on the domestic calendar. The first story was a reported loose agreement over a coronavirus rescue fund for the EU. The fund will allegedly be made up of a split in grants and loans and the 27 EU leaders will meet later to settle issues like the overall size of the fund and how to control spending in the near future. The second news story was **a coronavirus vaccine that the University of Oxford is developing with AstraZeneca showed promising results** in early human testing, and is now set to move into larger trials to determine its ultimate effectiveness. Investors wondered, however, whether AstraZeneca could match progress seen from Pfizer and BioNtech, as well as Moderna. The final news story was around talks in Washington D.C. over a new stimulus package due to the virus. Per Treasury Secretary Mnuchin, the focus of the deal will be kids, jobs, and vaccines. Government officials will kick off a first round of negotiations this afternoon.

With no data of note yesterday, the week's economic calendar kicked off today with the Chicago Fed National Activity Index for June (rising to 4.11) and the Philadelphia Fed's nonmanufacturing indices for July (jumped up to 23.7). The MBA's latest Forbearance and Call Volume Survey revealed that the total number of loans now in forbearance decreased to 7.80 percent from 8.18 percent of servicers' portfolio volume as of July 12, which means 3.9 million homeowners are still in forbearance plans. **The share of loans in forbearance now stands at its lowest level in over two months** as more homeowners have been able to get back to work. Later this morning brings Redbook same store

sales for the week ending July 18. In Washington, the Senate Banking Committee is expected to vote on the nominations of Judy Shelton and Christopher Waller to the Fed board. **The Desk is scheduled to conduct three FedTrade operations with two targeting up to \$1.5 billion** GNII 2.5 percent and 3 percent, as well as up to \$2.5 billion UMBS30 2 percent through 3 percent. To start the day, Agency MBS prices are a whisker better/up from Monday's close and the oft-quoted 10-year yielding .62 percent after closing yesterday at that level.

Employment

“At [Home Point Financial](#), our leadership team is dedicated to making our company [a great place to work](#) every day. Our 'We Care' philosophy extends past business responsibilities and into personal ones. In turn, Home Point has created a culture that fosters inclusion, community, support, and open communication. From the COVID-19 outbreak to supporting diversity, we've implemented numerous programs that take care of our team. In just the past few months, we've launched initiatives that have provided millions of dollars in support of Associates impacted by the pandemic and identified a team led by our President and CEO, Willie Newman, dedicated to advancing diversity and inclusion at Home Point. [Join the Home Point family](#) and learn what 'We Care' really means. Send your resume to John Eite today!”

“Many LOs struggle to trust their leadership & company's stability. [Churchill Mortgage](#) not only has a world class leadership team, but it's also an E.S.O.P! Our employees are partial owners. We're a company of leaders, focused on the success of our company & our customers. We've been voted a [Top Workplace](#) for 7 consecutive years! According to [LinkedIn](#), Churchill Mortgage loan officers have an average tenure of 4.3 years compared to the industry average of 1.7 years! Also, 13% of our Loan Officers have been with us for over 7 years. 'I've been in the mortgage and finance business for over 40 years, & have found it's truly a 'people' business where there must be a relationship of trust,' explained Churchill Mortgage president and CEO, Mike Hardwick. We're proud of our past & confident in our future. If this type of environment and leadership mentality interests you, contact [Churchill Mortgage](#).”

This hot brand is your next big opportunity! Entrepreneur named [Motto Mortgage](#) a Top New Franchise for 2020, and the reasons are practically endless. The Motto Mortgage network supports entrepreneurship through industry-leading tools and full-service assistance... all for a flat, monthly fee. You'll have complete and customized access to best-of-breed technology, business support tailored to you, and network-level wholesaler relationships for all your loan origination needs. When you own a Motto Mortgage franchise, you own an innovative business that funds dreams and propels your career growth. [Discover](#) how franchise ownership can help you harness this fresh buzz for the business you've been dreaming of or email us at franchise@mottomortgage.com for more information.

Producers: Tired of poor turn times, lack of support and being left behind as your company and its red tape grows out of control? “We believe top producers deserve the support and respect they'd receive as guests at a high-end boutique hotel. Here at [TruLoan Mortgage](#) we aren't seeking to be the biggest- we're seeking to be the best,” says founder Daniel Jacobs. Check out this [video](#). VP of Business Development Brenda Jarvis is proud that “in our environment we invest to help producers grow rather than simply maintain the status quo.” [TruLoan Mortgage](#) is seeking immediate growth in DE, FL, GA, IL, IN, KY, NJ, NC, OH, PA, SC, VA, & WV. Retail producers who are as fanatical about creating a great lending experience as TruLoan should [inquire now](#) for more support and less red tape!

Patricia Suazo has joined [FundingShield](#) as the VP of Technology Operations and Integrations, and will put to work her knowledge of software systems implementation, migrations, and integration, along with Digital Platforms and Automation. Congratulations!

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